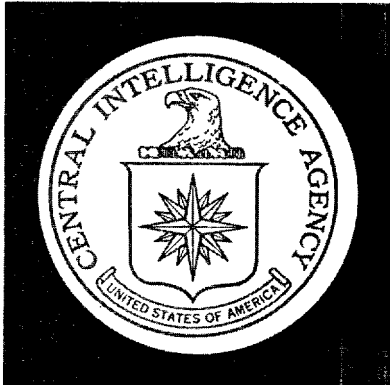


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Dept. review completed

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(Information as of noon EST, 7 March 1968)

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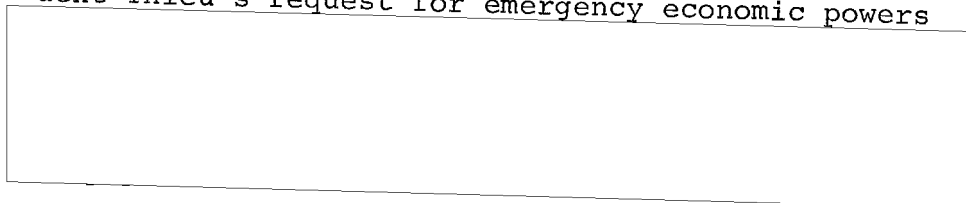
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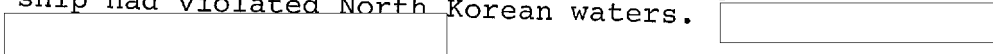
Communist forces staged another wave of mortar and rocket attacks against major allied installations and urban areas in South Vietnam last week but there were only a few ground assaults. Major Communist units remain deployed in the Saigon area and near cities in the three northern provinces.

Political developments in Saigon presented a mixed picture. On the one hand, the government initiated action on long-promised administrative reforms and replaced the controversial commanders of II and IV Corps areas. Both houses of the National Assembly, on the other hand, rejected President Thieu's request for emergency economic powers



In Laos, the Communist offensive continues to appear limited primarily to recovering territory seized by the government in recent years. Communist forces still threaten positions in the Bolovens Plateau area but there were no assaults against the provincial capitals of Saravane and Attapeu.

There has been a lull in hostile North Korean activity along the Demilitarized Zone and in the South since mid-February. The North Koreans, however, apparently remain confident that they can prolong the impasse over the Pueblo incident without incurring serious risks of US military pressure to secure the release of the crew. Pyongyang's latest maneuver to extract a formal US apology was the publication of an open letter to President Johnson, purportedly written by the Pueblo's crew, which emphasized the futility of denying that the ship had violated North Korean waters.



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VIETNAM

Another wave of coordinated mortar and rocket attacks was directed this week at major allied installations and urban areas in most of South Vietnam. Communist main force troops, meanwhile, continue to reposition for what may evolve into further large-scale battles around urban areas, especially in the northern provinces.

The new round of attacks, which included only a few ground assaults, was considerably less intense than the Tet offensive. Nevertheless, it served to maintain pressure against populated areas, where large numbers of allied forces are still tied down in defensive positions. Starting with the Tet offensive, the Communist attack waves have been occurring in 15 to 18 day cycles. In the interim periods, enemy incidents have reverted to nearly normal levels except at Khe Sanh, where Communist gunners have stepped up their daily shellings. A higher number of enemy incidents, however, are occurring against and around urban centers, in contrast to past enemy practices.

There are continuing signs of a serious Communist threat around Saigon and in South Vietnam's northern provinces. In I Corps, numerous indications of a major enemy interest in the cities of Hue and Da Nang, as well as the other provincial capitals, may portend large-scale escalation of the fighting.

During January, at least 19,000 North Vietnamese troops

were infiltrated into South Vietnam, the highest monthly total of the war. Detailed information on the identity of the units involved is not yet available. Other forces, such as artillery regiments and replacement personnel, are known to have entered the northern provinces in January and may account for a still higher monthly total at a later date.

Early this week, the largest Communist sea infiltration attempt yet detected in South Vietnam was thwarted when three large, steel-hulled trawlers were destroyed along the coast and a fourth was forced to flee into international waters. Each of these vessels can transport as much as 100 tons of munitions to the South in just a few days, compared with the lengthy overland route.

Saigon Political Developments

The government appears to have begun its long-promised administrative reform. President Thieu on 1 March opened a training course for prospective new province chiefs, and spoke of new administrative changes that would strengthen the power of the central government in the corps areas and, hopefully, "eliminate" corruption. Government sources have claimed that the powerful military corps commanders will be stripped of their civil authority, including their primary voice in the appointment of province chiefs.

Almost coincident with these administrative moves, the

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controversial commanders of the II and IV Corps areas--Generals Vinh Loc and Nguyen Van Manh--were replaced. Both men had been variously criticized for corrupt practices or for warlord tendencies. The new commander of II Corps, General Lu Mong Lan, is a questionable improvement over Vinh Loc, but in IV Corps, General Nguyen Duc Thanh may bring some of the energy and dedication he previously applied to the Revolutionary Development program.

Meanwhile, both houses of the National Assembly have overwhelmingly rejected President Thieu's request for emergency economic powers. The negative vote was surprisingly heavy--40 to 3 in the Upper House and 85 to 10 in the Lower. The opposition included deputies belonging to a new Lower House bloc responsive to Vice President Ky.

South Vietnamese Economic Picture

The Tet offensive not only inflicted extreme damage on the industrial facilities and the transportation and communications system in South Vietnam, it also dealt a serious blow to business confidence, according to a preliminary assessment by the US Embassy in Saigon. The embassy reports that there is an almost complete cessation of investment planning, import activity is at a standstill and numerous foreign businessmen are leaving the country.

Trade between urban and rural areas in consumer goods and agricultural products, which increased markedly during the past year, dropped off sharply in the wake of the Tet offensive. The Viet Cong had begun to step up their harassment of commercial traffic some three months before the Tet offensive, and it now appears that the interdiction of commerce to some of the main urban centers may be a major Communist objective.

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KOREA

The North Koreans continue to act on the assumption that they can prolong the impasse over the Pueblo incident without incurring serious risks of US military pressure to secure the release of the crew. Pyongyang's most recent maneuver to extract a formal US apology was to broadcast an open letter to President Johnson, purportedly written by the entire Pueblo crew, urging the President to take the "necessary measures" to obtain their release.

The main thrust of the letter was to emphasize the futility of denying that the Pueblo had violated North Korean waters because Pyongyang has "irrefutable evidence" from the ship's documents and charts. The letter claimed for the first time that the Pueblo had operated within North Korean waters for ten days, and disclosed that the crew had "confessed everything truthfully" and had apologized to the North Korean Government. Finally, the letter endorsed Pyongyang's right to insist on an apology and a guarantee against further in-

trusions as the price for returning the crew.

The Soviets promptly reported on the open letter to the President, but commentary on the Pueblo incident is now quite sparse, reflecting Moscow's continued desire to play the affair in low key.

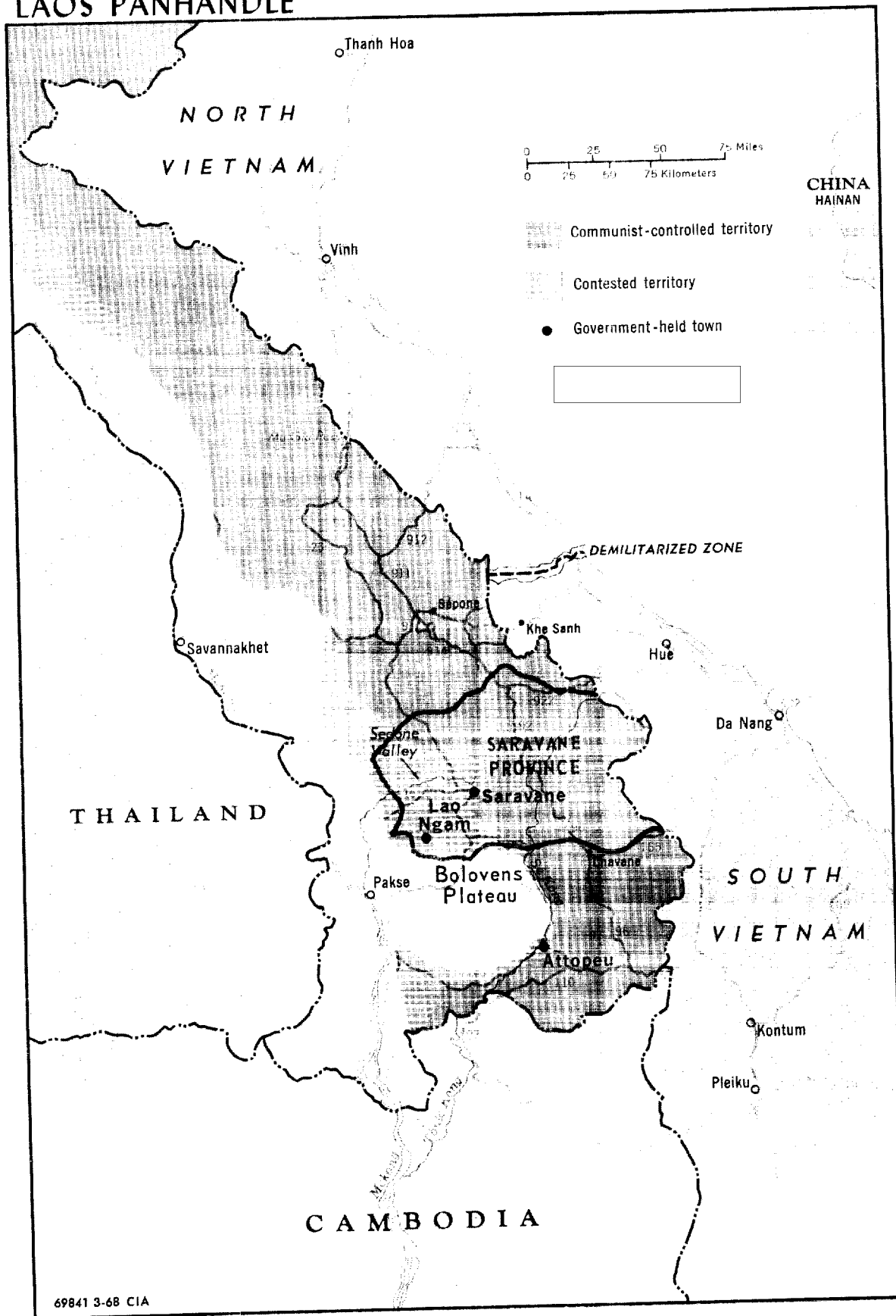
In South Korea, tension resulting from the capture of the Pueblo and the North Korean raid on the presidential palace is gradually easing. The process has been aided by the Vance visit and by US offers of increased military assistance. Seoul last week attempted to quiet criticism of the government and generally to tighten internal security by appointing a new defense minister, former chairman of the Joint Chiefs of Staff, Choe Yong-hui. President Pak had earlier reshuffled top-level security officials. The new defense minister is likely to have a closer working relationship with US officials than his predecessor, and no change in South Korean policy is likely.

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LAOS PANHANDLE



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COMMUNISTS MAINTAIN PRESSURE IN SOUTHERN LAOS

The week-long lull in fighting continues, but the Communists are still threatening government positions in the Bolovens Plateau area.

North Vietnamese troops are maintaining pressure on the provincial capitals of Saravane and Attapeu, although there is some question whether the Communists intend to occupy either town. In a recent interview in Vientiane, the local Pathet Lao representative disclaimed any intention of taking Saravane, because it had not been in their hands at the time of the 1962 Geneva Accords. Even if no move against the town develops, the fact that the enemy has been moving supplies into the Sedone Valley west of Saravane and has been digging in near Attapeu strongly suggests that the Communists intend to hold the nearby territory they have recently gained.

Communist objectives in the area, however, still appear to be limited. A North Vietnamese prisoner, who was cap-

tured during the abortive attack on 23 February against Lao Ngam, asserts that his battalion was told that the purpose of the current offensive is to re-establish Pathet Lao presence in the Sedone Valley. In addition, Pathet Lao and North Vietnamese statements have consistently portrayed this year's offensive as a defensive riposte to Vientiane's "nibbling tactics."

Pathet Lao leader Prince Souphanouvong took a similar line in a Pravda interview on 3 March in which he warned that the Communists will recapture "all territory" seized by Vientiane, presumably since the 1962 Geneva Accords.

There have been reports that as many as five new North Vietnamese battalions have been newly committed to Laotian operations.

This buildup underlines Hanoi's determination to protect the infiltration corridor while negating at least some of the government's hard-earned territorial gains.

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POLITICAL CONFLICT CONTINUES IN COMMUNIST CHINA

The reported criticism this week of another senior official in Peking is the latest indication that top Chinese leaders are divided and maneuvering against each other. Other signs are their continuing inability to act firmly to stem the spread of "factionalism" in the provinces and an intensification of propaganda demanding complete loyalty to Mao Tse-tung.

For three weeks, giant posters have been prominently displayed in Peking attacking officials--mainly members of the radical Cultural Revolution Group--who allegedly tried to bring down Premier Chou En-lai last year. On 4 March, Liu Ning-i, a senior government official who has specialized in foreign affairs, was added to the anti-Chou group. His case is complex, as he has not been regarded as a radical, and Chou had successfully defended him against Red Guard criticism early this year. Possibly Liu compromised himself with Chou later in 1967 by trying to make a self-serving deal with radical forces.

Provincial radio stations continue to broadcast shrill, hysterical accounts of "civil wars," which are said to be causing considerable economic damage. On 1 March, for example, Yunnan radio complained that the major factions, by going in for violence "in a big way," had sabotaged production and communications. The broadcast demanded punishment of unnamed people who were said to be manipulating warring factions behind the scene.

Inner Mongolia apparently has been in turmoil since a Maoist-approved Revolutionary Committee was formed on 1 November. Recent broad-

casts claim that the "revolutionary masses," inspired by a speech on 12 November by Mao's wife, have risen in rebellion and have been fighting an "earth-shaking" but apparently inconclusive battle with unnamed enemies. The broadcasts say the struggle is intensifying.

The formation of a Revolutionary Committee in Kwangtung on 21 February has not lessened tensions. Armed groups continue to engage sporadically in clashes in Canton and nearby cities. Middle schools and colleges remain closed.

Largely because of this political unrest, many people are trying to escape to Hong Kong. Police in Hong Kong apprehended 550 illegal refugees in January and more than 650 in February. The monthly average in 1967 was less than 200. The Chinese Communists have strengthened land and sea patrols to prevent escapes.

There now appears to be greater agreement among Chinese leaders over the conduct of foreign policy. The imminent return of the Chinese ambassador to Paris probably signals resumption of a more normal level of diplomatic representation elsewhere abroad. Chinese chiefs of mission and other senior diplomats have, for the most part, remained in Peking since their recall during the early stages of the Cultural Revolution. Premier Chou En-lai is reported to have indicated in a speech last month that the majority of ambassadors were to be sent back to their posts, particularly to missions in Africa and Asia, by the end of March.

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EUROPE

The Soviets got most of what they wanted from the party consultative conference at Budapest, despite the furor caused by the Rumanian walkout. They pressed successfully for the scheduling of a world party conference late this year in Moscow. The Russians are concerned over the growing unease in Eastern Europe, and seem bent on taking a firmer hand to forestall further fragmentation. Ultimately, Moscow's strong-willed tactics may serve merely to spread disunity.

The Warsaw Pact summit meeting in Sofia this week ended without another public Soviet-Rumanian confrontation, but also without any signs that a meeting of minds was reached on divisive issues. According to a TASS announcement, the meeting simply adopted "appropriate decisions on the questions under discussion." The discussions probably centered on the nonproliferation treaty, European security, and solidarity with North Vietnam.

Because of its defiance of Moscow, Rumania has opened itself to possible additional economic pressures by some of its nominal allies. Bucharest will probably respond by seeking closer relations with the West, Yugoslavia, and the "third world."

Uncooperative weather may have played a part, but the Soviets did not react to the West German parliamentary "work week" in West Berlin with harassment tactics. Military movements in the Berlin area have made clear, however, that Moscow closely monitored the event and was prepared for harassment.

There are signs that contending party factions are exploiting the confrontation between the Polish regime and the writers. The Polish regime has, however, given no sign it intends to compromise with the rebellious writers.

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USSR SETS WORLD PARTY CONFERENCE FOR LATE 1968

At the Budapest meeting, the Russians succeeded in railroading through their plan for a world Communist conference late this year in Moscow. There are still misgivings among various parties, however, and the makeup of the conference as well as its tasks remain to be worked out.

It became clear at the outset of the Budapest conclave that Moscow was prepared to press hard for a consensus on convening a conference despite the offense this would give to a number of parties. Using heavy-handed tactics, the Russians managed to gain the acquiescence of all but the Rumanians.

The speech by Suslov, head of the Soviet delegation, and the well-rehearsed chorus of support for Moscow's proposals for a formal world conference made a mockery of the meeting's "consultative" character--a theme that had been stressed in advance advertising for the Budapest meeting.

Suslov called for the creation of a temporary commission to draft documents for a world conference to take place late this year. The final communique endorsed this procedure. It named Moscow the conference host and Budapest the seat of the preparatory committee that is to convene on 24 April.

Soviet behavior seems to be symptomatic of the increasingly narrow, dogmatic approach Russian leaders have recently taken toward several internal as well as for-

eign issues. Soviet tactics are evidence of Moscow's paramount desire to strengthen ties with those parties that are still susceptible to its influence, even at the cost of further damage to its ties with less malleable ones.

At present, the Soviet leaders seem deeply anxious over trends toward increasing independence among their allies in Eastern Europe and the possibility of further erosion in the traditional, uncompromising stand of these regimes against West Germany. Increased instability and uncertainty in Prague and, to a lesser degree, in Warsaw, together with outspoken defiance from Rumania have injected a note of urgency into Moscow's efforts to forestall further fragmentation. According to a prominent Soviet journalist in Moscow, the USSR is trying "to save what can still be saved."

Rumania's walkout at Budapest clearly concerned the remaining members, who almost instinctively drew together to present a facade of solidarity. Nevertheless, close study of the positions of each Eastern European party regarding the Budapest meeting and the international conference next fall reveals marked differences beneath the surface. Over the course of time, the basic conflict between the Russians and the Rumanians--unity versus national interests--is bound to have significant repercussions in Eastern Europe as these states come to realize that Rumania's battle is also theirs.

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Bucharest had decided that to attend and present its views was probably the best way to counter Moscow. Thus, the Rumanian delegation's leader, in his address to the conference, exposed the conference's facade of equality and gave detailed examples of Russian manipulation. He gave the impression, too, that in Bucharest's mind, the USSR was trying to revive a Moscow-dominated international movement.

Factionalism within the parties will sharpen, as some of the

Eastern European states in time attempt to emulate the Rumanian action. Those who have been hoping to loosen the bonds of the past two decades will find encouragement; the dogmatists will see and fear only the possibility of more fragmentation. Indeed, Bucharest seems to have come to the Budapest conference to encourage as widely varying responses as possible, freely distributing bound copies of the Rumanian delegate's speech immediately after its delivery.

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CZECHOSLOVAKIA OUTLINES ECONOMIC "ACTION PROGRAM"

The Dubcek regime has outlined the economic portion of its party "action program." It calls for the end of fixed prices on a large number of items, with prices on others being permitted to fluctuate within limits. Unless these changes are made with a careful view to their impact on living standards, however, they might reduce public support for the new Dubcek administration.

The Novotny regime had recognized that major changes in the retail pricing system were essential to a meaningful economic reform program, but had taken little action in this field. Under the newly announced program, subsidies to producers will be reduced and the turnover tax on retail sales will be made more flexible. These measures are not controversial, but their result will be an increase in some retail prices.

The economic "action program" promises safeguards to the

Czech consumer in connection with these price increases. It states that retail prices will not be changed without considering incomes of the population, and that increases probably will be reviewed by a special commission on living standards to ensure that the general level of retail prices stays within present guidelines. This suggests that the regime is well aware of the political danger in a sharp drop in living standards.

Many of the other major recommendations of the economic "action program" were drawn directly from the economic reform begun two years ago. Plant managers will have more freedom both in staffing and in production decisions, and will have greater responsibility for profitable operation. The program also contains a new proposal that marginal agricultural land be leased to independent producers as a means of stimulating production.

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WEST GERMAN TRADE WITH COMMUNISTS REACHES RECORD HIGH

An export drive by West German industry, coupled with the Kiesinger government's efforts to normalize relations with Eastern Europe, has helped boost trade with Communist countries to a record high. Increased West German exports, largely on credit, account for most of the growth, which will probably accelerate less rapidly this year.

Last year, Bonn's trade with the Communist nations grew at almost double the rate of that with non-Communist countries and totaled over \$2.5 billion, six percent of total West German trade. Increased exports to Rumania, Yugoslavia, and China accounted for most of the gain, but exports to the USSR and Poland, which have been cool to a closer relationship with Bonn, also increased. West Germany's imports from the Communist countries declined as a result of the West German recession, leaving an export surplus of over \$500 million, the largest recorded in its trade with Communist countries.

Much of this trade increase has resulted from the extension of medium-term credit. West Germany did not enter the credit race until 1964 but has moved rapidly since then. With many East European countries now heavily in-

debted to West Germany, however, further substantial growth in its trade will depend on Bonn's willingness to increase its imports.

Rumania doubled its imports from West Germany and was the only East European country to increase its exports to Bonn last year, although it still runs a large deficit. Yugoslavia, a target also of Bonn's diplomatic offensive, was courted intensively by West German business interests and sales to Belgrade, again largely on credit, increased by almost \$100 million.

Economic advantage plays an important role in this burgeoning trade. Despite the lack of diplomatic relations or even of any formal trade relations, Bonn doubled its exports to China last year to some \$200 million. Some of these exports, however, represented deliveries under previously concluded contracts. China probably will cut back its imports from West Germany this year in an attempt to bring their trade into closer balance.

Bonn's trade with Czechoslovakia increased only slightly, but the establishment of official trade missions should pave the way for an expansion in the future.

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SWEDISH FOREIGN POLICY MOVES TO LEFT

Sweden's Social Democratic government more and more is adopting the foreign policy positions of the far left in hopes of winning support from this quarter for the national elections in September.

This leftward movement is most evident on the Vietnam issue. Government leaders have begun to lend their personal prestige to anti-US activities. North Vietnam's ambassador to Moscow was invited to Sweden last month, although Stockholm does not recognize Hanoi, and was received by Prime Minister Erlander and Foreign Minister Nilsson. The ambassador later helped lead a mass demonstration protesting US policies in Vietnam. At the demonstration, Education Minister Palme, a leader of the party's left wing, delivered another bitter attack against the US.

The leftward shift in Sweden's foreign policy has also brought the Erlander government close to a diplomatic break with the Greek military junta. Late last month, the junta's opponent, Andreas Papandreou, was received by Erlander and Nilsson and was given the unprecedented honor of addressing both houses of parliament. Erlander promised financial support to Papandreou's resistance

movement and the use of Sweden for its headquarters.

These foreign policy moves are determined in large part by domestic political considerations. The Social Democrats, who have been in power for more than a generation, have witnessed the recent defeats of fraternal parties in Norway and Denmark, and fear that their own left wing has been seduced by Sweden's new-look Communist Party. Social Democratic leaders have concluded that to win this fall, the party must retain the support of its left wing and capture about two percent of the Communist vote. They have no major domestic issues with which to rally support, inasmuch as their welfare state is largely complete and successful.

This gamble, however, may not pay off. The party's chances of making inroads into the Communist vote seem slight, and part of its left wing may still vote Communist. At the same time, the Social Democratic right wing is becoming alienated. Party unity would be further jeopardized if the aging Erlander continues to boost Education Minister Palme as his heir presumptive. A number of important moderate Social Democrats share the cordial dislike of many Swedes for the left wing leaders.

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MIDDLE EAST - AFRICA

The potential for flare-ups of several of the disputes in the area remains strong.

In Egypt, Nasir is still scouting for scapegoats on whom to blame the antiregime demonstrations of last week. His speech on 3 March laid the trouble at the feet of old "feudal" elements and "imperialist lackeys."

The military regime in Greece is highly annoyed at what it considers foreign "interference" in its domestic affairs. The latest irritant was Swedish Prime Minister Erlander's announcement that his ruling party would give financial aid to Andreas Papandreou's exile opposition group.

Rhodesia's execution of three Africans whose sentences for murder had been commuted by Queen Elizabeth has closed the door for some time on negotiations between London and Salisbury. The reaction in the British Parliament has been one of bipartisan "outrage," but no measures against Rhodesia have been seriously considered. There are reported to have been marked differences of opinion within the Rhodesian cabinet over whether or not to proceed with the executions, but the decision to go ahead represents a continued hardening of views against compromise with Britain. The Rhodesians must now decide if they are going to execute over 100 other Africans who have been sentenced to death, some for the lesser, post-"independence" crime of entering the country with weapons of war. Meanwhile, Africans are preparing to raise the Rhodesian issue again at the UN.

The federal regime in Nigeria continues to gain ground in its war with secessionist Biafra. London is reported to have agreed this week to provide a long-term naval training mission after the civil war, to be followed by a mission to help train the Nigerian Army.

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MAURITIUS: ANOTHER UNVIABLE MINISTATE GAINS INDEPENDENCE

The tiny British colony of Mauritius faces grave social, economic, and political problems when it becomes independent on 12 March.

The island's difficulties stem from racial divisions, overpopulation, and a one-crop economy. Two thirds of its 790,000 people are descended from South Asian laborers imported to work the sugar plantations that provide 95 percent of the island's exports. Hindus constitute 51 percent of the population and, Muslims 16 percent. A long-established middle class is mainly Creole--mixed descendants of French colonists, Africans, and Asians--and about 25,000 persons of Chinese descent dominate the small businesses.

Communal rivalries have erupted into violence three times in the last 30 months. Six weeks ago, British troops were called in when skirmishes between Muslim and Creole gangs in the capital city of Port Louis flared into full-scale riots and spread to other areas. At least 26 persons have been killed to date, and atrocities have intensified hatred.

The colony's political parties have formed along communal lines. Prime Minister Ramgoolam's Independence Party is supported by the Hindus and many Muslims. The opposition Mauritian Social Democratic Party (PMSD), predominately Creole, has opposed independence for fear of Hindu domination. The PMSD, which plans to boycott all independence celebrations, is particularly in-

censed because the neighboring island of Rodrigues--where the PMSD received 98 percent of the vote last August--will be integrated with Mauritius, despite earlier assurances by London that it would be free to choose its own destiny.

The government faces a serious financial crisis, despite \$10.3 million in aid from London this past year, and is plagued by unemployment. To reduce expenditures, Ramgoolam has already dropped 11,000 people from relief roles and has removed the government's rice subsidy.

Such austerity measures and the rising cost of living may provoke popular reaction against the government. The 1,700-man police force, largely Creole, is well trained but will be unable to quell any serious disorder without help from British troops.

For several years, both Moscow and Peking have been quietly penetrating the island's youth and labor organizations. The Mauritian Young Communist League, primarily Moscow-oriented, claims 8,000 members. About a third of the organized Hindu laborers belong to a union led by an avowed Marxist. Peking operates largely through the local Chinese, many of whom retain close familial ties with their homeland. An offer to sell 10,000 tons of rice helped Peking get an invitation to next week's independence ceremonies, and Ramgoolam's assertion that he will not recognize Peking seems open to doubt.

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DOUBTFUL FUTURE FOR VACANT ALGERIAN NAVAL BASE

The French completed their withdrawal from the naval base at Mers el Kebir, Algeria, on 31 January, and the future use of this well-situated base for military or civil purposes is in doubt. Speculation that the USSR might want to use the base for support of its Mediterranean squadron is so far unfounded.

The Evian Accords granted France use of the naval base until 1977, but the French withdrew nine years early, primarily for financial reasons. Evacuation of the naval base is expected to save \$18.8 million this year alone. The upkeep of the base since 1962 has cost France \$140 million.

The high cost of the "force de dissuasion" has required De Gaulle's government to trim funds annually from the army and the nonnuclear part of the navy. The modernization of the French Navy continues to lag, with the result that the capability of the fleet has been reduced. The presence of the US Sixth Fleet in the Mediterranean, however, reduces the need for a large French fleet in that area. Moreover, with its emphasis upon home-based nuclear striking forces, France has little need for overseas naval bases.

The Algerians wanted France to delay departure until the unfavorable impact on the economy of nearby Oran could be cushioned. They have requested France to convert the facilities to ac-

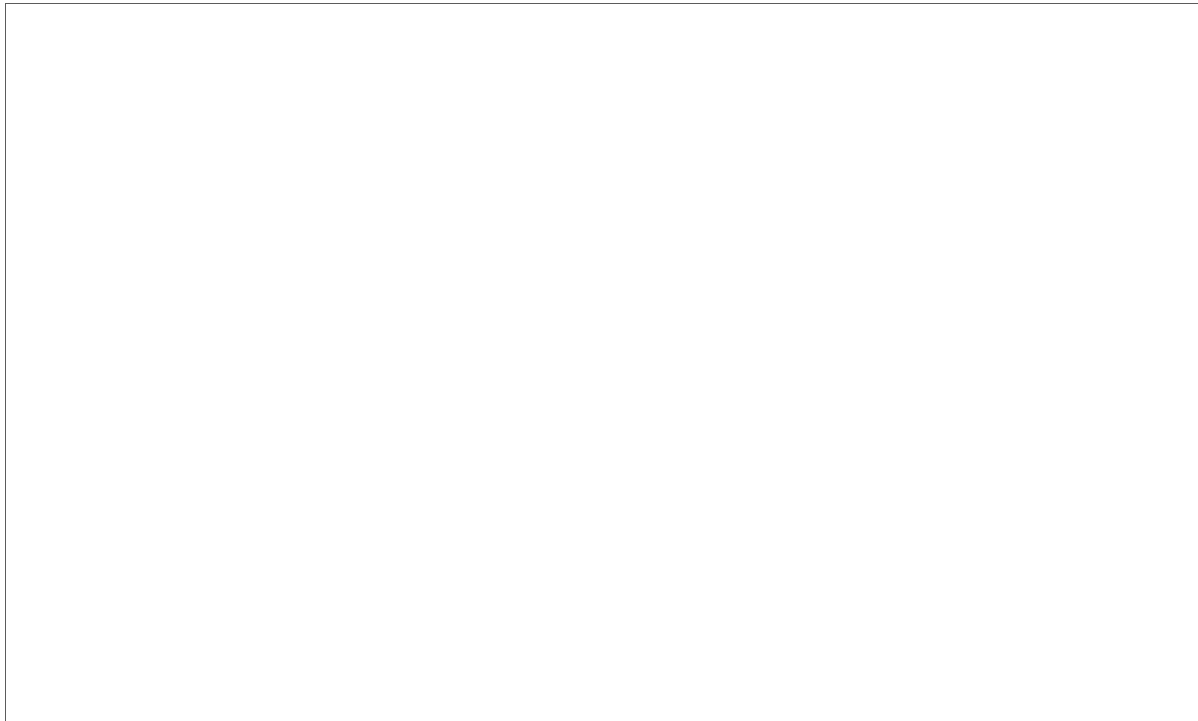
commodate oil tankers and thus alleviate congestion at Arzew, the terminal for Saharan gas and oil. Mers el Kebir also provides more sheltered anchorages than Arzew. If France does not furnish the technicians to convert the base, the Algerians might ask the USSR to do so.

Algerian leaders have recently declared that no foreign power will be permitted to take over the base. The French Government believes the Algerians will not allow the Soviet Navy to use the base not only because of Algeria's close ties with France, but also because of Algeria's fear of losing more of the exports to France that are so vital to its economy. The intense nationalism that rejects the establishment of foreign bases on Arab soil also militates against the Soviets' setting up a base there.

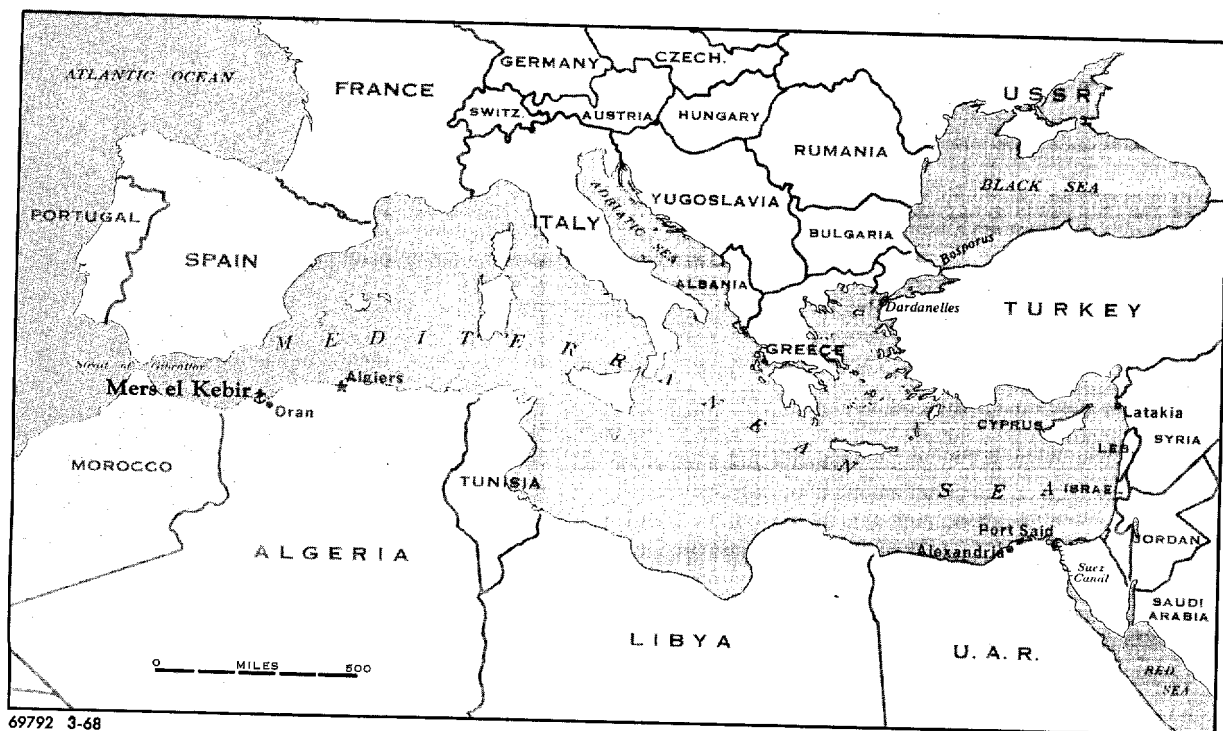
Since June, 20 to 30 Soviet naval units have been operating regularly in Mediterranean waters. The maintenance of this squadron has been a burden on Soviet Navy supply ships, particularly tankers, which must shuttle between the Mediterranean and Black Sea ports.

Soviet ships frequently visit Egyptian ports, where Soviet tenders are almost continuously present to provide routine maintenance and resupply. Limited use is made of commercial port services, but there is no evidence that the Soviets

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are using Egyptian naval shore facilities. Soviet ships have also called at Algerian ports. The USSR might welcome regular access to Mers el Kebir, a western Mediterranean port where naval units could put in for routine self-maintenance resupply, and recreation.

The USSR probably does not want a base arrangement that must be spelled out in a formal treaty, if only to avoid being caught by its own propaganda, which classifies a "colonialist imperialist power" as a country that uses weak friends as military pawns.

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EGYPTIAN DISSENTERS TEMPORARILY QUIET

Although no demonstrations occurred in Egypt during the past week, the regime may be compelled to make further concessions to prevent future outbreaks.

Nasir's speech to a workers' rally on 3 March pointed up his deep concern over the antigovernment aspects of the recent demonstrations. Nasir attempted to minimize the seriousness of the protests and to lay the blame for inciting them on "counterrevolutionaries," whom he identified as old "feudal" elements and "imperialist lackeys." He also attempted to justify some of the difficulties the Egyptians have had to endure since the June war as part of the struggle to eliminate the "effects of the aggression."

Egypt's universities and high schools remain closed. The government reportedly plans to reopen them after the Muslim holidays of Bairam, which begin on 9 March, apparently in the hope that the earlier emotions will have subsided.

The Nasir regime will no doubt employ repressive measures, if necessary, to prevent a repetition of the protests. Although such measures probably will prevent future demonstrations from getting completely out of hand, further government concessions may be required to ease the situation. Some student groups are reported to be encouraged but not appeased by their success in achieving a retrial of the accused military officers on the grounds that their original sentences were too light. The government may attempt to answer the demonstrators' pleas for greater freedom by making some apparently liberalizing gestures, such as new elections for Egypt's National Assembly, or cabinet shifts with a more civilian flavor.

Nasir's vow to liberate the territory under Israeli occupation may also be a sop to popular sentiment. It would, however, compel him to be somewhat more cautious in his dealings with the Jarring UN mission, for fear of provoking charges of being soft on Israel.

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WESTERN HEMISPHERE

Many countries in Latin America are pre-occupied with preparations for coming elections.

Panamanian elections, scheduled for 12 May, are bogged down in impeachment proceedings against President Robles, who is accused of interfering with the electoral process.

In Honduras, where municipal elections are scheduled for 31 March, an exchange of conciliatory gestures between the ruling National Party and the Liberal Party has improved the political environment.

The Dominican municipal elections in May are threatened with a boycott by the left-of-center Dominican Revolutionary Party, and the Social Christians and conservatives are demanding government guarantees that will create a "proper electoral climate." In addition, the rightist party supporting exiled former general Wessin has conditioned its participation on President Balaguer's permitting Wessin to return.

Despite a month-long teachers' strike and accompanying labor unrest in El Salvador, the ruling National Conciliation Party appears in no danger of losing its majority in the legislative and municipal elections set for 10 March.

Colombia's campaign for the congressional elections on 17 March is proceeding without serious incident. The Liberal-Conservative National Front will probably maintain its present majority in congress.

Followers of Ecuadorean presidential candidates Ponce and Velasco have had minor clashes, and there may be further disturbances following Velasco's return to Ecuador on 9 March.

In Venezuela, opposition parties have won control of congress, thus supporting opposition claims that the governing Democratic Action party is deteriorating. This can only hurt the party in the present maneuvering for coalitions for the December elections.

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PANAMANIAN POLITICAL CRISIS DEEPENS

The crisis over control of Panama's electoral machinery still shows no signs of early resolution. The National Guard is growing more disposed to seize power as government and opposition forces continue unwilling to reach an accord.

A showdown in the National Assembly on the impeachment of President Robles for interference in the electoral process could come at any time. Arnulfo Arias' National Union (NU), which controls the assembly, appears to be postponing the next move in the hope that some compromise can be reached. The NU refuses, however, to withdraw on the impeachment issue unless Robles replaces his minister of government and justice immediately and promises to appoint an entirely apolitical cabinet.

On 5 March, the assembly appointed a three-man, pro-Arias commission to investigate the charges of attempted manipula-

tion of electoral machinery by Robles. Despite pressures from any sectors--including the guard, the archbishop, and businessmen--Robles has remained intransigent and is refusing to answer the assembly's summons to appear before it and respond to the impeachment charge.

Both Robles and Arias are hesitant to confront the National Guard with orders that might trigger a take-over by the security forces. Guard leaders under General Vallarino, however, foresee a situation in which the NU will demand that the guard endorse the impeachment and the assumption of the presidency by the first vice president, and Robles will counter with demands that the guard dissolve the assembly.

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STRIKE IN EL SALVADOR TO CONTINUE THROUGH ELECTIONS

The month-old Salvadoran teachers' strike, which resulted in massive demonstrations, hundreds of arrests, and at least four deaths, is scheduled to continue through the legislative and municipal elections set for 10 March. Public support for the strike has been waning over the past two weeks, but further use of force by the government could prompt renewed violence.

Support for the teachers' union reached a high point in mid-February, when demonstrations attracted as many as 10,000 participants, education officials were blocked from the ministry, and Communist-affiliated unions staged sympathy strikes. When the National Guard moved with force against demonstrators on 26-27 February and made several hundred arrests, however, spirit largely collapsed.

Press reports that National Guard agents entered the univer-

sity on 3 March have now triggered protests over the violation of university autonomy. Further tough measures by the government could galvanize the students into action.

The government is determined to hold the elections on schedule. The teachers' strike and related disorders have curtailed electioneering, but the over-all effect of the dispute will probably not significantly alter the legislative makeup. Additional support for the major opposition Christian Democrats from sympathetic parents and teachers will probably be countered by the government's gains from its anti-Communist crusade. Such an offset would maintain the ruling National Conciliation Party's slight majority and allow it to claim an endorsement for the eight-month-old moderate reformist regime of President Sanchez.

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COLOMBIAN CONGRESSIONAL ELECTIONS SCHEDULED THIS MONTH

The National Front government headed by President Lleras should maintain, and perhaps increase, its majority in congress in the elections scheduled for 17 March. The primary importance of this election lies not so much in the distribution of congressional seats as in the relative strength displayed at the polls by the various parties and factions.

The National Front, which was formed in 1958 following the ouster of dictator General Rojas Pinilla, calls for the sharing of power between the traditional Liberal and Conservative parties. The presidency is alternated between the Liberals and Conservatives every four years, and seats in both the House of Representatives and the Senate are evenly divided. Opposition parties participate in the elections by entering a slate of candidates on either the Liberal or Conservative ticket.

The dismantling of the National Front is scheduled to begin in the 1970s, and the various parties and factions are now beginning to jockey for position. The reunification of the Liberal Party last August virtually assures the Liberals of political hegemony in the country when the National Front is finally abolished.

The Conservatives recognize the necessity of reconciling their two opposing factions if they are to remain an important political force, but they have thus far been unable to reach any agreement. Both the Unionistas, who support the National Front, and the opposition Lauro-Alzatistas view the coming elections as a test of strength that will improve their positions in future negotiations on reunification.

The National Popular Alliance (ANAPO), former dictator Rojas' party, has in recent years emerged as the strongest opposition to the National Front. Early predictions were that ANAPO would gain several seats in the House of Representatives, but its campaign has sparked little public interest and it will probably do little more than maintain its current position. The Communist Party is also participating in this election but is not expected to have much success.

The campaign has failed to ignite public enthusiasm and the vote will probably be small, with the Liberals making the best showing, the Unionista Conservatives outpolling the opposition Conservatives, and ANAPO maintaining or perhaps slightly strengthening its present position.

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